

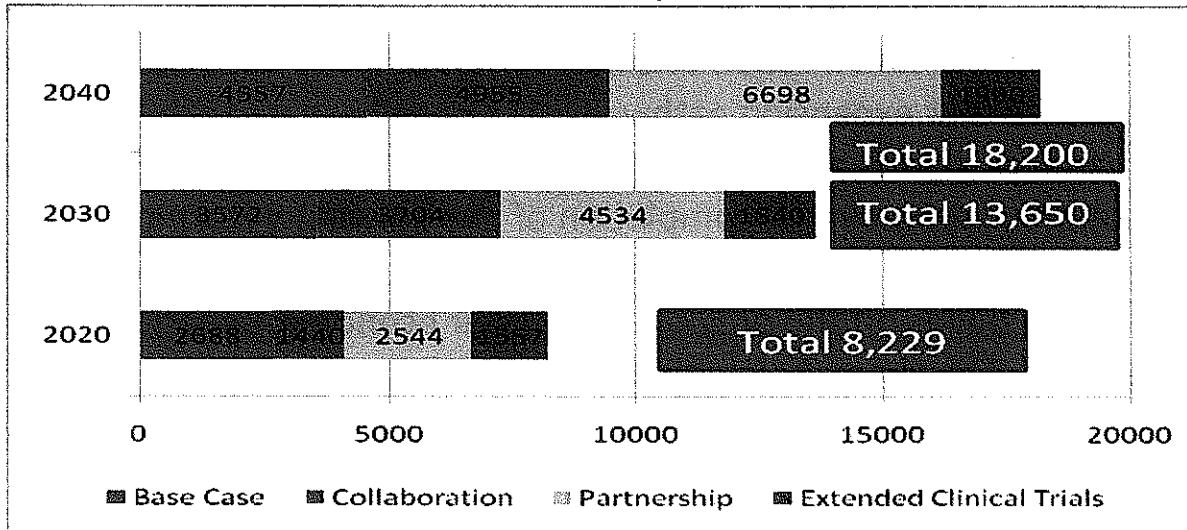
Executive Summary

The Connecticut Center for Economic Analysis of the University of Connecticut has prepared an analysis of the economic benefits that would flow from the expansion of the Schools of Medicine and Dentistry and construction of a new John Dempsey Hospital. The study considers four expansion pathways: 1) a baseline case with just the expanded Schools and new hospital; 2) development of the Connecticut Health Collaborative; 3) completion of the University Hospital Partnership; 4) becoming a super site for clinical trials. Each successive pathway builds off the previous one; their economic benefits are thus additive. The charts below thus show the contribution of each pathway to job creation, income growth, and enhanced tax revenue.

The analysis relies on the dynamic REMI model of the Connecticut economy to project economic benefits; REMI, built from the U.S. Department of Commerce national input-output matrix, is nationally recognized for projecting economic impacts and is the basis on which the Connecticut Department of Economic and Community Development evaluates projects. This study looks at the growth in jobs and income out to 2040, and new tax revenue flowing to the state out to 2035, when capital bonds would be retired. The last two pathways—which achieve the fullest development of life sciences and generate the largest economic benefits—deliver the most impressive payoffs to Connecticut’s citizens in new jobs and increased income and to state government in terms of tax revenue. Evaluated as investments, they deliver strikingly attractive returns.

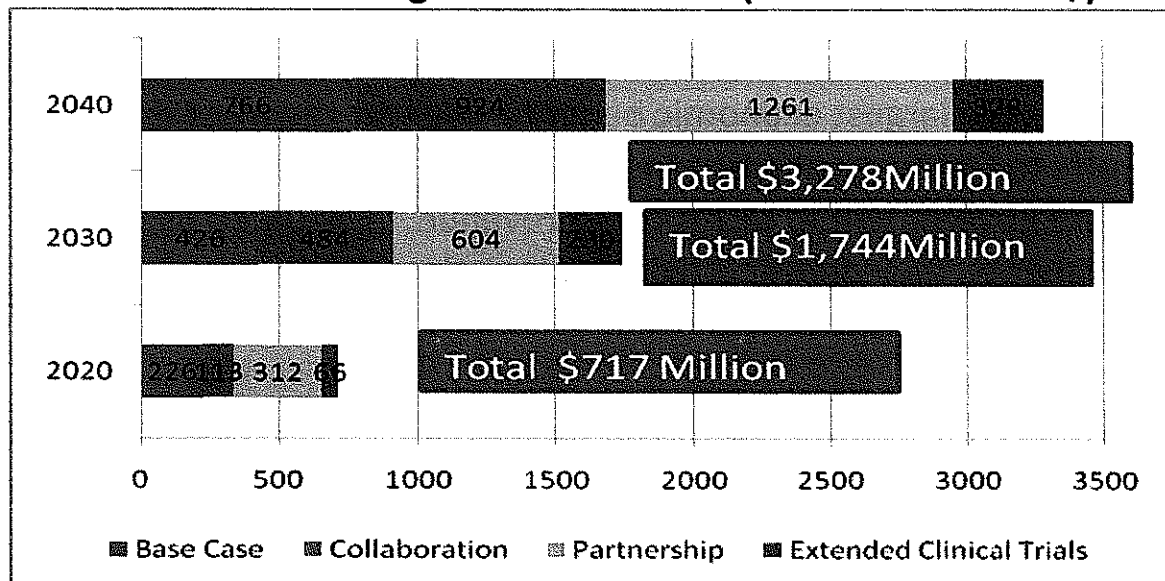
JOBS: Development of University Hospital joined with the Connecticut Health Collaborative quickly generates 8,229 new jobs by 2020; they then grow to 18,200 by 2040.

Chart E1: Creating New Jobs



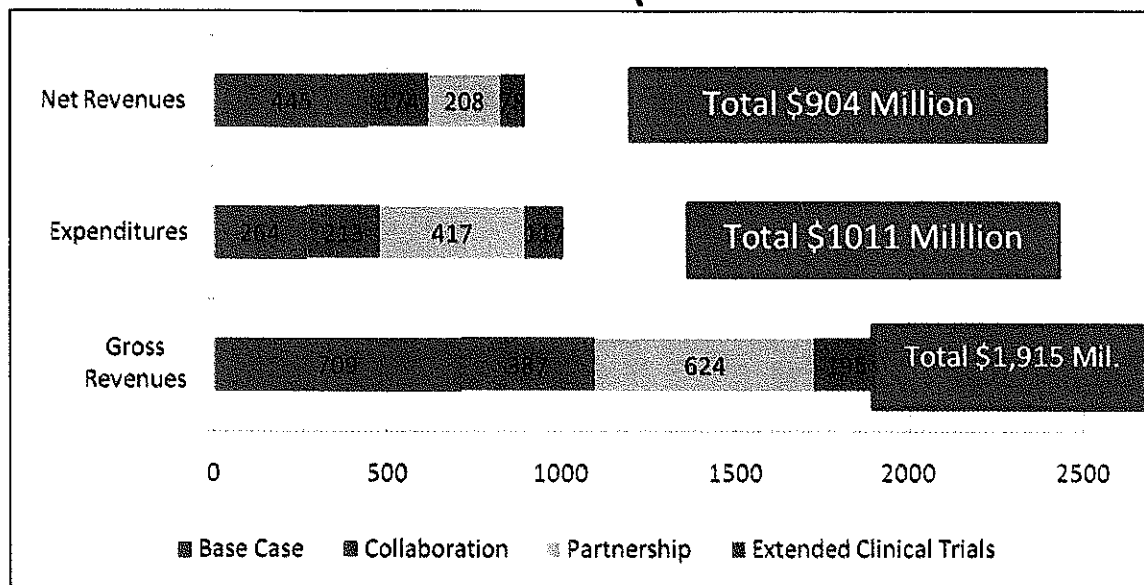
INCOME: Full development of the potential of the University Hospital with the Connecticut Health Collaborative generates \$717 million in new personal income by 2020, nearly \$3.3 billion annually by 2040 (nominal dollars, including inflation).

Chart E2: Increasing Personal Income (Millions Nominal \$)



FISCAL BENEFITS: Development of University Hospital with the Connecticut Health Collaborative by 2035 (the assumed end-date for capital bonds) generates aggregate new tax revenue (discounted to present value) for the state approaching \$2 billion; net of expenses for expanded government services, revenues exceed \$900 million—a hefty return on an investment of \$475 million.

Chart E3: Revenue Generation (Present value in Millions \$)



Expansion of the University of Connecticut Schools of Medicine and Dentistry, the construction of a new John Dempsey Hospital, development of a broad clinical collaboration among area hospitals, and the partnership with Hartford Hospital offer a unique opportunity to move the UCHC into the top ranks of academic medical research centers, delivering state-of-the-art medical services to state residents, enhancing quality of life and longevity. Equally important, this initiative creates a major economic driver for Connecticut, generating thousands to new jobs, increased income, expanded state output, and significant net new tax revenues. This is the moment when Connecticut can redefine its future path, creating a more prosperous, healthy future.